

STATE OF ARIZONA

CITIZENS CLEAN ELECTIONS COMMISSION

MUR: No. 04-0074

STATEMENT OF REASONS OF EXTERNAL INVESTIGATIVE CONSULTANT

On behalf of the Citizens Clean Elections Commission ("Commission"), the External Investigative Consultant hereby provides the Statement of Reasons showing reason to believe a violation of the Citizens Clean Elections Act ("Act") occurred.

I. Procedural Background

On May 9, 2005, Patrick Meyers ("Complainant") filed a complaint against Carole Hubbs ("Respondent"), a participating candidate for State Representative, District 4, alleging that Respondent (i) failed to pay the vendor directly for goods and services and properly report those payments, and (ii) accepted an unreported in-kind contribution from another candidate who shared a voter list with Respondent in violation of the Act. Exhibit A. On May 18, 2005, Respondent responded to the complaint and provided supporting documentation for the campaign expenditures. Exhibit B. Respondent's campaign finance report for the 2004 election cycle is attached as Exhibit C.

II. Alleged Violations

For the most part, the Complainant identified payments made by Respondent to Eiverness Consulting Group, Ltd., alleged that the recipient was not the actual vendor of goods or services to the campaign, and that the Act was therefore violated. Respondent's response establishes that Eiverness was in fact the vendor of the goods and services purchased by the campaign, and that the expenditures were properly reported. The complaint has no merit and there is no reason to believe a violation of the Act occurred as alleged.

The Complainant noted also that Respondent did not report any expenditure to obtain voter data, speculated that Respondent used the disc of Rep. Tom Boone with his assent, and thereby accepted but did not report an in-kind contribution from the Boone campaign of \$200.00. Respondent admits the violation as alleged.

III. Reason to Believe Finding

Based on the Complaint, the information provided by Respondent, and the admission of violation, the External Investigative Consultant recommends the Commission find reason to believe a violation of the Act occurred. A.R.S. Sec. 16-

941(A) prohibits a participating candidate from accepting any contributions, with certain exceptions which do not apply in this matter. The acceptance of the noted in-kind contribution violated the prohibition.

The Respondent has acknowledged the violation as alleged and has proposed that a public administrative settlement be entered to terminate this proceeding. The External Investigative Consultant recommends Commission approval of the Settlement Agreement attached as Exhibit D.

Dated this 17th day of August, 2005

By: _____
L. Gene Lemon
External Investigative Consultant

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STATE OF ARIZONA

CITIZENS CLEAN ELECTIONS COMMISSION

In the Matter of:

Case No.: MUR 04-0074

Carole Hubbs,

SETTLEMENT AGREEMENT

Respondent

Pursuant to A.R.S. § 16-957(A), the Citizens Clean Elections Commission (“Commission”) and Carole Hubbs, a participating candidate for State Representative, District 4, (hereinafter “Respondent”) agree to enter into a public administrative settlement of this matter in the manner described below:

1. The Commission finds that the Respondent inadvertently violated the following provision of the Citizens Clean Elections Act (“Act”):

a. Respondent shared a voter data disc with Representative Tom Boone who had purchased the disc from the Arizona Republican Party. Respondent’s use was a violation of A.R.S. § 16-941(A), which prohibits a participating candidate from accepting in-kind contributions of the nature and timing (i.e. the shared discs).

2. Respondent stipulates that she did violate the Act, but did so inadvertently.

3. Respondent waives any right she may have under A.R.S. §§ 41-1092, *et. seq.*, including the right to a hearing or appeal in this matter, and agrees with the Commission to an informal settlement of this matter.

4. This Settlement Agreement concludes the Commission’s investigation into the Respondent’s conduct, and constitutes the final penalties related to the investigation against the Respondent.

WHEREFORE, the Commission enters the following orders in lieu of any other action regarding this matter:

1. Respondent agrees to pay a civil penalty of \$200.00, which is equal to the amount of the in-kind contribution received, to the Citizens Clean Election Commission within 30 days of the date of this Settlement Agreement.

2. Respondent acknowledges that the Commission has the authority to assess a fine equal to ten times the amount by which the contributions exceeded the applicable limit.

3. The Commission declines to impose the maximum penalty based on the following reasons:

- Respondent cooperated fully with the investigation and resolution of this matter;
- Absence of a prior enforcement action before the Commission; and
- Respondent made a good faith effort to comply with the Act, and attended a Commission-sponsored training class.

Accordingly, the Commission orders that all proceedings commenced by the Commission be terminated and the matter be closed upon payment of the civil penalty. This agreement is subject to final approval by the Commission during its August 25, 2005 meeting.

Dated this ____ day of August, 2005

By: _____

L. Gene Lemon

By: _____

Carole Hubbs

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Original filed this ____ day
Of August, 2005, with:

Citizens Clean Elections Commission
1616 West Adams, Suite 110
Phoenix, Arizona 85012

Copy of the foregoing sent via
regular U.S. mail this ____ day
of August, 2005 to:

Carole Hubbs
21511 Limousine Dr.
Sun City West, AZ 85375